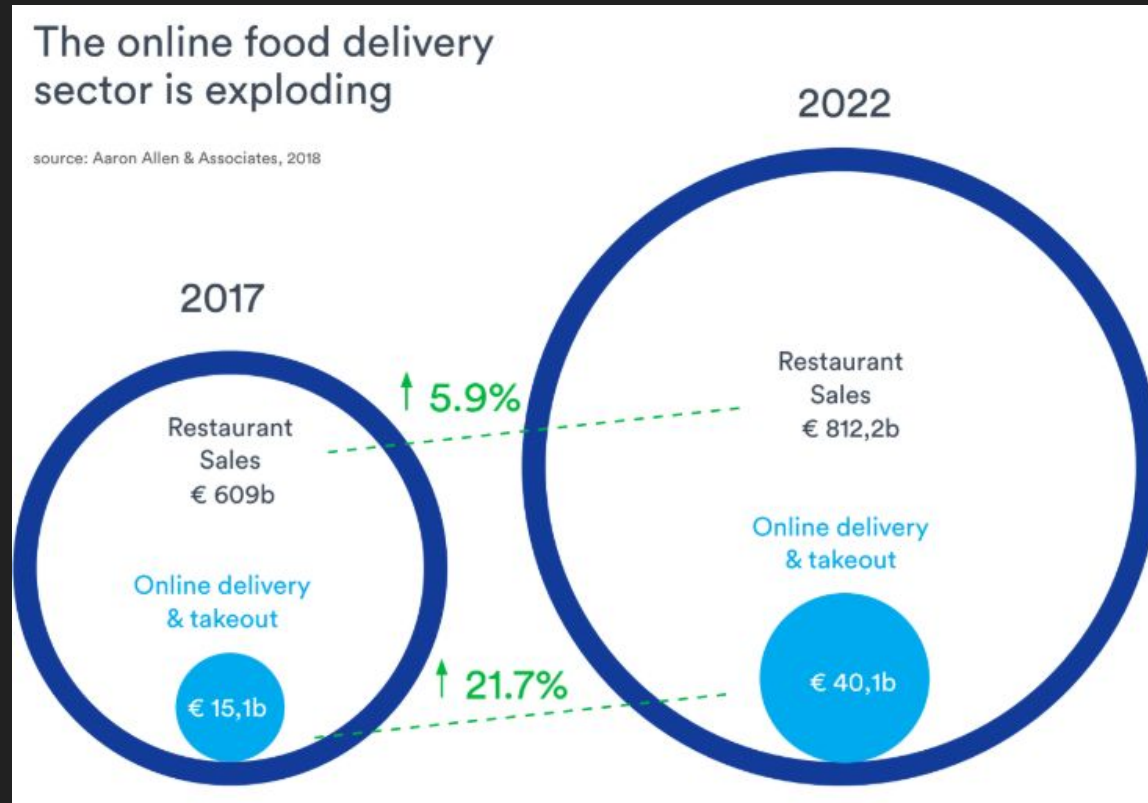


Dark Kitchen Concept

The Online Food Delivery Sector is Exploding



Source: Deliverect (*The dawn of the delivery era, Harnessing the advantages for your hospitality business*)

What Is A Dark Kitchen?

“Dark kitchens are also known as virtual kitchens, cloud kitchens, ghost kitchens or delivery-only restaurants. While we may use different names to refer to the dark kitchen, the concept remains the same: these kitchens sell meals exclusively through delivery. Rather than cooking for eat-in diners, cloud kitchens cook purely for delivery, so the food that is produced there can only be consumed elsewhere.”

Source: [Deliverect](#)

Example: Food Haven



Founder & CEO

"We hope to scale Food Haven internationally so that everyone can benefit from our unique take on food delivery!"



OUR MISSION

To provide the best food delivery experience around the world

Our mission is to change customers' perception of food delivery by providing them with a new and improved experience.

Through a combination of delivery-focused cooking techniques and packaging innovation, we aim to serve "restaurant-like" dishes straight to our customers' doors.



OUR VISION

To be the Kitchen of the Future

Our vision is to provide a wide range of great quality yet affordable all day meals that will be delivered to customers' homes in perfect condition, ultimately serving to replace the time-consuming acts of grocery shopping, home cooking, and dish-washing.

We imagine a future where homes can be kitchen-less, granting more comfortable living space, a future where people have more time for themselves and their families. We imagine a future with a better quality of life for everyone.

WELCOME TO THE KITCHEN OF THE FUTURE

MULTIPLE FOOD BRANDS UNDER ONE UMBRELLA



THE CHALLENGE

Changes in color, smell, temperature, texture and consistency...

These are some of the many sufferings food undergoes as it is cooked and transported via delivery.

Finding a way to keep food as close to it's original state as possible is by far the biggest challenge the food delivery industry faces as it exists today.

STATS

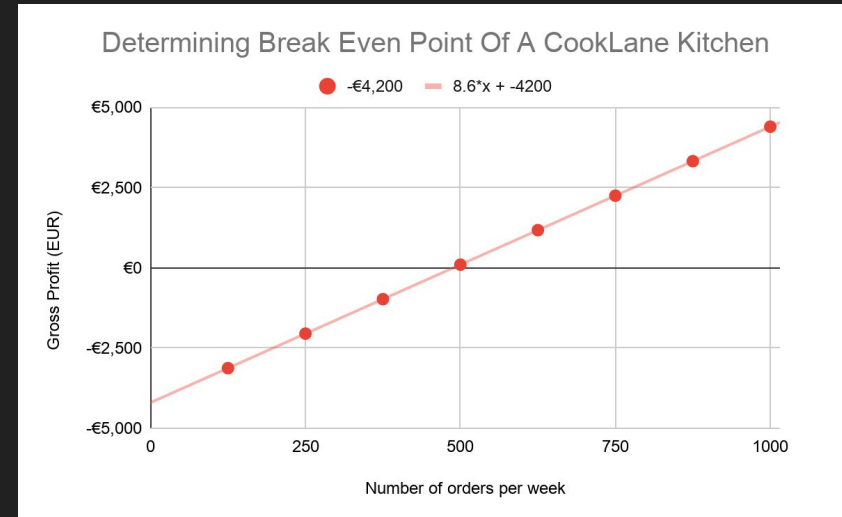


What Are The Main Benefits Of A Dark Kitchen?

Characteristics	Generic Advantages	Specific Benefit
All-in-one delivery-only professional kitchen	Improving efficiency and separating business units	"I run a traditional chinese restaurant and the continuous flow of delivery boys is really annoying my customers."
Initial investment cost: 40K EUR	Reducing the risk of the investors	"I only have 10K euros savings to put in my new business and I can borrow money from the bank only if I put 20% of personal funds."
Monthly subscription: 3,500 EUR/month	Reducing the fixed costs	"Since Deliveroo increased its commission, I run my restaurant under loss. What to do? I still have to pay the rent!"
Optimised cooking area: 18m ²	Reducing wage costs & improving team management	
Time to launch a new POS: 2 to 4 weeks	Optimising cooking time, quality and productivity	"Selling pizza is giving me a good living. I'm sure burgers could be a hit too, but I can't afford it! What if I invest too much money and fail?"
Required staff: 4 to 5 employees	Testing quickly new innovative concepts with limited risk	
All processes optimised and straightforward	Increasing the volumes (number of orders a day)	"At the end of the day, I make 4% profit. If I don't anticipate the right demand, I waste food and lose all my profit!"
Technology infrastructure	Scaling your business with data-driven decisions	
Modern and smart equipments	Increasing safety and hygiene	"Once, a client saw a rat in my kitchen. Since then, traffic has come down to 75%. I should have invested in a clean kitchen!"
Average delivery time: 15 min	Increasing customers satisfaction	
Finance & marketing support	Managing closely your P&L and your multiple brands	"I am known to be an amazing cook, but I am not that good with figures. So I have to rely 100% on my accountant...which is not that great!"
Flexible and shared cuisines all over the world	Sharing agile and good practices	
Backed by a famous entrepreneur	Benefiting from past experiences & successes	"I always have been impressed by Uber founder Travis Kalanick, I would follow him blindly!"

Dark Kitchens Are More Profitable

- Break even point
 - $f(n=N) = 0\text{€} \Rightarrow \mathbf{N=488}$ orders per week
- Dark Kitchens reduce your risk
 - Diversification $\uparrow \Rightarrow$ Risk \downarrow
- And increase your profitability
 - $NPV_{\text{Brick\&Mortar}} < NPV_{\text{Click\&Collect}} < NPV_{\text{DarkKitchen}}$
 - $IRR_{\text{Brick\&Mortar}} < IRR_{\text{Click\&Collect}} < IRR_{\text{DarkKitchen}}$
- Dark Kitchens do not only make your finance healthier, but also allow you to do your real job: cooking!



BREAK EVEN POINT (Dark Kitchen)	Hypothesis	Number of weekly orders								
		0	125	250	375	500	625	750	875	1000
INCOME	100%	€0	€2,500	€5,000	€7,500	€10,000	€12,500	€15,000	€17,500	€20,000
Weekly Income	€20	€0	€2,500	€5,000	€7,500	€10,000	€12,500	€15,000	€17,500	€20,000
EXPENSES		€4,200.00	€5,625.00	€7,050.00	€8,475.00	€9,900.00	€11,325.00	€12,750.00	€14,175.00	€15,600.00
Fixed costs										
Rent (3,500 EUR per month)		€700	€700	€700	€700	€700	€700	€700	€700	€700
Wages (1 chef + 3 cooks)		€1,500	€1,500	€1,500	€1,500	€1,500	€1,500	€1,500	€1,500	€1,500
Marketing & Advertising		€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000
Other (IT, HR, Insurance, Legal, etc.)		€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000	€1,000
Variable costs										
Food supply	25%	€0	€625	€1,250	€1,875	€2,500	€3,125	€3,750	€4,375	€5,000
Delivery	32%	€0	€800	€1,600	€2,400	€3,200	€4,000	€4,800	€5,600	€6,400
GROSS PROFIT		-€4,200	-€3,125	-€2,050	-€975	€100	€1,175	€2,250	€3,325	€4,400
Operational Margin		NA	-125%	-41%	-13%	1%	9%	15%	19%	22%

CASH FLOWS (Yearly)	Brick and Mortar		Click & Collect		Dark Kitchen	
	<i>Hypothesis</i>	<i>P&L</i>	<i>Hypothesis</i>	<i>P&L</i>	<i>Hypothesis</i>	<i>P&L</i>
INCOME	100%	€925,200	100%	€642,500	100%	€1,028,000
#Orders	90/day	23,130	125/day	32,125	200/day	51,400
Total Order Value	€40	€925,200	€20	€642,500	€20	€1,028,000
EXPENSES	85%	€786,420	80%	€514,000	86%	€884,960
Food supply	30%	€277,560	30%	€192,750	25%	€257,000
Rent	15%	€138,780	10%	€64,250	4%	€42,000
Wages	30%	€277,560	25%	€160,625	15%	€154,200
Marketing & Advertising	5%	€46,260	10%	€64,250	5%	€51,400
Other (IT, HR, Insurance, Legal, etc.)	5%	€46,260	5%	€32,125	5%	€51,400
Delivery	0%	€0	0%	€0	32%	€328,960
GROSS PROFIT		€138,780		€128,500		€143,040
<i>Operational Margin</i>		<i>15%</i>		<i>20%</i>		<i>14%</i>

PROFITABILITY	Years						NPV	IRR	MIRR
	0	1	2	3	4	5	Sum(CFi)	NPV=0	5%
Discount Rate	5%	5%	5%	5%	5%	5%	EUR	%	1%
Brick and Mortar									
Cash Flows	-€400,000	€138,780	€138,780	€138,780	€138,780	€138,780		21.70%	12.09%
Discount Cash Flows	-€400,000	€132,171	€125,878	€119,883	€114,175	€108,738	€200,845		
Click & Collect									
Cash Flows	-€200,000	€128,500	€128,500	€128,500	€128,500	€128,500		58%	26.80%
Discount Cash Flows	-€200,000	€122,381	€116,553	€111,003	€105,717	€100,683	€356,338		
Delivery-Only									
Cash Flows	-€100,000	€0	€0	€0	€0	€0		NA	NA
Discount Cash Flows	-€100,000	€0	€0	€0	€0	€0	-€100,000		
Dark Kitchen									
Cash Flows	-€40,000	€143,040	€143,040	€143,040	€143,040	€143,040		357%	78.74%
Discount Cash Flows	-€40,000	€136,229	€129,741	€123,563	€117,679	€112,076	€579,288		

Objections?

Your Objections

1. Dark kitchen is not gastronomy!
2. I need to have interaction with my clients.
3. We completely lose humanity!
4. It's going to kill many of my friends...
5. I will be dependent on the delivery-platforms. What if they rise their commissions? What if it changes its delivery concept? What if it closes down certain locations?
6. I want to cook fresh vegetables and rare red meat, not burgers and pizzas!
7. I don't trust delivery platforms!
8. I don't know anything about Facebook, Instagram, Twitter...

My Answers

1. Renowned chefs have already launched delivery kitchens!
2. True, think about social media, it can be a powerful link.
3. True, that is why Cloud Kitchens will organise live events.
4. Indeed, it is a constant struggle for survival.
5. True, that is the number one risk to take. Though, is it not worth it? We are all aware of this dependency. It is in everyone's interest that restaurants continue making money. The delivery platforms know they have to treat you well if they want to grow as well.
6. We have seen innovative processes and packaging that allows you to cook such products.
7. The quality of their services increases every day.
8. Cloud Kitchens provides affordable marketing services. You only focus on delivering amazing meals to your customers!



Alain Ducasse, Hélène Darroze, Olivier Nasti

